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or more than two and one half times as much as was available for dividends in 1894 or 1895. And yet the dividends actually paid in 1898 are 5.4 million dollars less than in 1894. But the dividend payments of 1894 left a deficit of nearly 46 million dollars while in 1898 there remained a surplus after dividends were paid of 44 million dollars. Although the gross and net earnings of the roads were greater in 1898 than ever before, there are only three years since 1890 when the stockholders have not received greater dividends. From 1890 to 1894 dividends were always above 100 million dollars, but in those years the surplus never exceeded 15 million dollars after dividends were paid, and in the years 1894, 1895, and 1897 there were heavy deficits. The surplus of 1898 looks as if the roads were being managed on a more conservative basis. The managers seem to have profited by the experience of the lean years and are laying up a surplus which will enable them to weather the next storm without taking refuge in the receiver's court.

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The period of depression seems also to have taught lessons of economy and better methods of operation, for the increased earnings have been secured in spite of a steady decline in both freight and passenger rates. Increased traffic due to greater business activity is, of course, the most important factor in explaining the addition to gross earnings, but if operating expenses had not been materially reduced the net income showing would have been much less favorable. Freight rates have declined 20 per cent. since 1890, and yet the percentage of operating expenses is less in 1898 than in any previous year. In the face of all this decline, and while the railways are making a good profit in carrying freight at three fourths of a cent per ton per mile, a leading railway official declares before the Industrial Commission that there is still more waste in the railway business than in any other important industry. What will the rates be when consolidation or better organization eliminates the remaining items of waste?

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#### STREET RAILWAYS AND THE PUBLIC.<sup>1</sup>

THE paper presented by Mr. Yerkes at the recent meeting of the American Street Railway Association, and the discussion thereon,

<sup>1</sup>See paper by CHARLES. T. YERKES, "Investments in Street Railways; how can they be made secure and remunerative." *Eighteenth Annual Report of the American Street Railway Association*, pp. 49-55.

although not searching, present some indication of the point of view occupied by the street railway owner toward the public. Street railway securities are of general demand only since the eighties. The consolidation of street car lines brought the securities before the public as good investments. As late as the seventies the banks had hesitated to accept these securities as good collateral. This increase in importance of the interest represented by the securities brings up the question of the relationship borne by the companies to the investor and to the municipality. Mr. Yerkes and those who participated in the discussion were of the opinion that publicity was essential to protect the investor. The municipality should receive, as a *quid pro quo*, a share in the receipts of the street railroad.

The great investment of capital is cited as an argument in favor of two-hundred-year franchises. It is claimed that a proper return upon the investment cannot be obtained in a short period. Street railroad enterprise is subject to much unjust criticism. There should, therefore, be a commission of three business men appointed by the governor of the state for a term of fifteen years. This commission should concern itself with the general supervision of street railways, and the affording of the protection to which railways are legally entitled. This plan gives no control over fares. The commission's functions are to be, on the whole, advisory.

Throughout the paper and the discussion thereon, the point kept in view is that of the self interest of the street car lines. It is significant, however, that there is also a recognition of the fact that street railway enterprise is so bound up with civic needs that regulation is warranted.

S. J. MCLEAN.

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#### AN ERROR IN THE USE OF STATISTICS OF POPULATION.

IN his latest contribution to economic literature<sup>1</sup> Mr. Wright presents statistics of the United States census, from which he concludes that there has been nearly a year's increase in the average duration of human life during the decade 1881-1890. At the same time he finds a large decrease in the number of child workers. According to the census the average age of our people was 24.13 years in 1880 and

<sup>1</sup> *Outlines of Practical Sociology*. New York: Longmans, Green & Co., 1899. 8vo, pp. xxv + 431.